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Market Orientation in Agricultural Value Chain Development Projects

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Abstract

The concept of market orientation has largely been overlooked in value chain guides, manuals and handbooks incorporated in agricultural research for development projects. This is somewhat surprising given proven positive relationships between market orientation and the performance of business organisations in both developed and developing countries. Whilst the term "market orientation" has a number of conceptualisations, all include intelligence gathering as being fundamental to successful outcomes. Seventeen guides recommending value chain approaches in agriculture published over the period 2006–2019 were reviewed for the inclusion of market orientation principles to identify the approach recommended for intelligence gathering. Few mentioned the term "market orientation" or recommended intelligence-gathering activities consistent with the concept of market orientation. We argue that the inclusion of market orientation in value chain projects in developing countries may enhance outcomes for smallholders by creating a culture of market orientation in community organisations, which can drive an inquisitive learning culture, community information collection, decision making and experimentation. Research to identify the challenges and benefits of incorporating a more complete inclusion of market orientation principles into value chain projects in developing countries is recommended.

***Keywords*:** Market orientation, value chains, developing countries, agricultural research for development

Introduction

Value chain analysis has been used to guide agricultural research for development projects (AR4D) in developing countries with increasing popularity (Donovan et al., 2015). It is promoted as a tool for enhancing livelihoods of smallholder farmers in rural communities by changing the way farmers view and respond to the market, identifying and eliminating waste along the chain and by facilitating a whole-of-chain approach to business management. Despite its popularity, value chain analysis is not without its challenges. It often assumes that rural households are a homogeneous group, and in practice rural communities are frequently unable to implement value chain project recommendations (Donovan et al., 2015). Furthermore, Donovan et al. noted that guides designed for value chain development are often used with insufficient consideration to the specific context within which the value chain is situated.

"Market orientation" is the term used to describe the implementation of the marketing concept by organisations (Kohli and Jaworski, 1990). It is one of the most studied areas of marketing (Sheppard, 2011). Although there are some variations in conceptualisations of market orientation, the definition offered by Kaur and Gupta (2010) captures the intent of much of the published research and has been used to guide the current paper. They define market orientation as (p.88)

> a business culture ensuring a set of behaviours necessary for generating, disseminating and responding to both internal and external market intelligence for creating superior customer value through superior organisational skills and capabilities thereby ensuring long term profitability by continuously identifying and managing constraints in the system obstructing market-oriented culture in an organisation.

Clearly, the definition contains a number of components, and the one on which this paper is focused is the "generation of market intelligence".

Many guides, manuals or handbooks have been published and are available to facilitators of agricultural value chain projects in developing countries. Nang'ole et al. (2011) listed 32 and others have been published since. No guides published since 2016 were identified as part of the current review which perhaps means the literature has reached saturation on the subject. The review conducted by Nang'ole et al. identified that guides, manuals and handbooks follow similar steps being "appraisal of value chains (choosing products, mapping of chains, networks and systems), design of interventions (identifying opportunities), implementation of interventions and monitoring and evaluation (observing, monitoring and adapting)" (p. 14). The review also identified the wide range of methods recommended for data collection and analysis including secondary data analysis, surveys, key informant interviews, focus group discussions, field interviews, rapid appraisals, participatory rapid appraisals, stakeholder workshops, formal and informal surveys, checklists, participatory brainstorming, open-ended discussions, direct observations, Venn diagrams, seasonal calendars, questionnaires, trade statistics, probing interviews and participatory mapping. To the casual observer, the manuals appear to provide thorough and complete guidelines for facilitators. However, to a more focused observer, there appears to be an important oversight in the methods proposed in all of the manuals reviewed.

This paper posits that the methods employed in value chain projects undertaken for agricultural development rarely, if ever, reflect the full definition of market orientation. Missing is a broad approach to market intelligence gathering to identify the complete range of market opportunities and threats. As a consequence, opportunities to more completely build capacity in the communities that value chain projects seek to help by creating a culture of market orientation, may be being missed. Furthermore, the more comprehensive integration of market orientation principles into value chain projects may improve outcomes for smallholder farmers.

First, the topics of value chains and market orientation are introduced. Then, the 17 published guides that are available to researchers for the development of value chains in developing countries are listed, the degree to which the principles of market orientation are embedded in the guides reviewed are identified and comments are made on gaps that are evident. Finally, recommendations are made about the relevance of market orientation for smallholder farmers and their communities.

Value Chains in Agricultural Research for Development Projects

Value chain thinking is widely used to guide development projects in agriculture (Donovan et al., 2015; Nang'ole et al., 2011; Neven, 2014; Riisgaard and Ponte, 2011; Stamm and von Drachenfels, 2011). The concept of value chains is part of the evolution of thinking about how organisations work together in "chains" to progressively add value to products and services that are ultimately purchased and used by consumers. The "theory" is that value chain participants share information and collaborate to identify opportunities for cost reduction and value creation and share the investments required and the resulting benefits. However, this may be difficult to achieve in practice. How savings and value are shared is a significant issue within value chain management. It requres the exchange of sensitive information, a fair division of costs and benefits and the appropriation of investments to be made in specific assets. Even a sophisticated United Kingdom-based retailer experienced difficulty when attempting to implement value chain approaches in their supply chain (Dekker, 2003).

Al-Mudimigh et al. (2004) noted that speed, agility and value creation are the most important aspects of competitiveness and that the effective implementation of modern approaches to supply chain management rely on implementing integrated systems to coordinate activities along the chain to facilitate speed and agility of actors within the chain. When methods purporting to develop value chains as part of smallholder communities are actioned in developing countries, a number of issues exist. These include existing power relationships along supply chains with farmers almost always having little or no bargaining power, little capacity to invest, limited financial management skills and thus little control over how value is shared or even measured. If a sophisticated United Kingdom-based retailer experienced these difficulties (Dekker, 2003), it is almost impossible to imagine how smallholder farmers in a developing country could be actors with equal bargaining power in value chains without first undergoing significant capacity and resource development.

Donovan et al. (2015) identified a number of gaps and limitations in the use of published value chain guides to inform development projects in developing countries. Guides often assume that all members of a rural community are part of a homogeneous group, have sufficient resources to participate, do not face significant trade-offs when using resources and can accept higher risks when investing their labour and other resources. These assumptions rarely apply to smallholder farming communities in developing countries. More consideration needs to be given to the steps required for them to become empowered so they can participate. This will have an impact on how projects are designed and implemented. Donovan et al. also noted that more effort needs to be invested to help participants fully understand why conceptual frameworks and activities are being used and how they fit into the overall project. In a review of value chain approaches and activities employed by seven United Nations agencies, Stamm and von Drachenfels (2011) observed that scientific discussion on the topic is characterised by a high degree of "fuzziness" in the way projects are planned and implemented and that there is even little consistency with the way value chains are defined, which leads to a range of activities that are conducted under the general heading of "value chains".

One of the early steps in most value chain projects is "understanding the market" and this is often defined primarily as understanding the needs of consumers. Advocates of value chain analysis state that, ultimately, it is only the consumer who defines what constitutes value (Soosay et al., 2012). This appears to have influenced value chain projects to adopt a consumer-orientation. It is possible that users of value chain approaches in development projects inadvertently create customer-compelled cultures, which is actually a barrier to market orientation (Day, 1999), because of the intentional and often-blinkered focus

on consumer needs. This may be a misunderstanding of the true meaning of value chain management as the term "value chain" is widely used but frequently misunderstood in agriculture and by agencies that service the industry (Collins et al., 2016). It is also possible that market research studies that more widely analyse distribution channels and market segments are overlooked because the focus is often on a single chain that was selected for the study.

Market Orientation

Whilst customers are often the primary focus of market intelligence collected by firms, Narver and Slater (1990) described market orientation as consisting of the three behavioural components of customer orientation, competitor orientation and inter-functional coordination with two decision criteria of long-term focus and profitability. These researchers described customer orientation and competitor orientation as including all of the activities involved in acquiring information about buyers and competitors including intelligence pertaining to non-customers. Organisations that adopt a customer-centric orientation and overlook the importance of understanding the needs of non-customers, broader market trends and the competitive environment are unlikely to achieve the benefits of adopting market orientation (Jaworski and Kohli, 1993; Ward et al., 2006). Day (1999) described being "customer-compelled" as a barrier to market orientation because firms that were too focused on customers neglected to understand the needs of the wider market including non-customers and the threat of competitive forces, and this limits sustainable competitive advantage.

It is worth defining here what the intelligence gathering component of market orientation could consist of, because market information collection is an important part of market orientation. Porter (1980) provided detailed guidelines for conducting an industry and competitive analysis. Porter described an industry analysis as a "massive task" requiring a methodical approach to ensure time is not wasted on collecting irrelevant information. He recommended identifying what one is looking for as an initial step followed by a rigorous identification of potential sources. Porter's recommendation to "get into the field early" to gather primary data from key informants is important, as is the suggestion that persistence is required to keep going even when it feels as though progress is stifled as researchers realise the complexity of the investigation on which they have embarked. Porter's methodology is still widely used (Dobbs, 2014) and can be considered the "gold standard" to guide organisations as they prepare for and undertake the continual process of gathering intelligence about the market, competitors and customers. Whilst Porter's advice may have been prepared primarily with large firms in developed countries in mind, it provides practical advice about how to conduct an industry analysis to identify opportunities and threats confronting smallholder farmers in developing countries.

Market orientation is a continuum, which means that organisations can introduce the concept and gradually increase the degree to which they adopt market-oriented behaviours. Ruekert (1992) referred to market orientation as the degree to which organisations gather information, plan and respond to customer needs. Spiros et al. (2004) mapped out how a firm's behaviour changes as it becomes more market oriented and reported that, as firms progress along the continuum, they use market research more systematically and disseminate it at a company-wide level. This research also noted that as firms become more market oriented they place more emphasis on customer and market considerations when developing new products than less market-oriented firms in a range of ways: they are increasingly involved in strategic planning and market segmentation strategies; they are more likely to set prices according to what the market can bear rather than cost-plus methods; they adapt their marketing strategies to the conditions of their target markets; they provide the marketing department with more

tactical responsibility than those that are less market oriented; and they provide more emphasis on controlling their marketing efforts.

Coordinated marketing has been identified as an important pillar of market orientation (Kohli and Jaworski, 1990) and this is operationalised by organisations through the sharing of intelligence widely across all departments. Shapiro (1988) noted that market orientation was the responsibility of the whole organisation and not just the marketing department, and this is consistent with the observation by Narver and Slater (1990) that market orientation is part of an organisation's culture which is defined by Schein (2010) as "the way we do things around here".

General agreement exists in the literature that market orientation is beneficial to organisational performance. Consequences of market orientation include increased sales, profit, return on assets, market share, growth and enhanced employee morale (Beverland and Lindgreen, 2007; Day, 1998; Jaworski and Kohli, 1993; Kohli and Jaworski, 1990; Narver and Slater, 1990). Whilst much of the earlier research on market orientation was undertaken on larger firms in developed countries, market orientation has also been demonstrated to benefit organisations in developing countries. For example, Martey et al. (2017) identified that intensity of commercialisation was enhanced by market orientation within rural farm households in northern Ghana. In a study of seed producer cooperatives in Ethiopia, Sisay et al. (2017) identified that market orientation was very important to performance and livelihoods of member-farmer families. Abafita et al. (2016) confirmed that market orientation strongly enhanced market participation of smallholder farmers in a study in Ethiopia, noting that "previous research has focused almost exclusively on market participation and ignored market orientation". In a study of 300 Vietnamese-owned companies, Hau et al. (2013) identified that the existence of market orientation had a significant effect on organisational performance in emerging markets such as Vietnam. Alam (2010) investigated the relationship between market orientation and firm performance of 53 small firms in regional Malaysia and concluded that market orientation was a strong predictor of performance in small firms. Naidoo (2010) used structural equation modelling to identify that small Chinese manufacturers were more likely to survive the global manufacturing crisis being experienced at the time of the study if they adopted the principles of market orientation. A meta-analysis of Brazilian studies with a sample size of 4,537 firms from 27 papers allowed Vieira (2010) to identify that "the relationship between market orientation and business performance is positive and strong". Market orientation was also identified as an important factor for export marketing performance in a study of 109 Indonesian manufacturers (Julian et al., 2014).

Even though the abovementioned studies were undertaken in organisations within developing markets and demonstrate that the benefits of market orientation are available to firms in developing countries, very few, if any, studies have investigated the role of market orientation in smallholder farming communities in developing countries. This is an apparent gap in the literature. Research to better understand antecedents and consequences of smallholder farming communities in developing countries adopting a market orientation and the facilitation required to assist them would make a contribution to literature and provide evidence to support the inclusion of market orientation into AR4D programs aimed at improving the wellbeing of smallholder farming communities.

The principal component of market orientation which is examined in this article is the collection of market intelligence relating to the broader market, customers and competitors and establishing that as part of organisational culture, which means market intelligence is continually being gathered and analysed.

Method

The method employed two related activities. First, a systematic approach was adopted to search for guides, manuals or handbooks incorporating value chain approaches in AR4D projects. To identify guides, the terms in Table 1 (with and without "developing countries") were used to search Google Scholar. Applying these terms returned many thousands of results and these were reduced to manageable numbers using advanced search inclusions of "manual", "guide" or "handbook' and "developing". Manuals and guides for value chain projects in developing countries were identified by reviewing the titles of the results and attachments as necessary. In addition, the authors reviewed the websites of well-known international aid agencies to search for guides, manuals and handbooks. The resultant list, even if some have been overlooked, almost certainly represents the current state of practice of value chain development in AR4D projects. No guides that met the selection criteria were identified after 2016.

Table 1. Search terms

Terms
Value chain guides developing countries
Value chain manuals developing countries
Value chain handbooks developing countries

Selection for inclusion was based on guides being published in the period 2006 – 2019: providing "how to" instructions; being more substantial than simply an article, and being published by internationally-recognised organisations. Seventeen guides, manuals or handbooks were selected for inclusion.

Second, the 17 selected guides were reviewed to identify the approach recommended for intelligence gathering and for specific inclusion of the term "market orientation". The principal focus of the review was to identify whether guides recommended selecting a single value chain for detailed study on the basis of little apparent research or, alternatively, recommended a broader approach to intelligence gathering to identify value chain alternatives.

Results

The results are included as Table 2.

Discussion

It is evident that in the guides reviewed or methods recommended as part of development projects employing value chain analysis to guide the marketing activities for farming communities in developing countries, neither the term "market orientation" nor the component of the definition of market orientation related to gathering market intelligence to understand the broad range of customer, market and competitor environments, are included. This is surprising given that market orientation is one of the most published aspects of marketing (Sheppard, 2011) together with the evidence that has been published over the past 30 years describing the benefits available to organisations which adopt a market orientation in both developed and developing countries (Hau et al., 2013; Julian et al., 2014; Kirca et al., 2005; Shoham et al., 2005; Vieira, 2010).

Table 2. Inclusion of market orientation principles in value chain guides for developing countries, 2006 - 2019

Author, Year, Agency	Title, Pages	Inclusion of Market Orientation Principles
Bernet et al. (2006) International Potato Centre	Participatory market chain approach (PMCA) – User guide. 184 pages.	No specific reference to 'market orientation'. Initial steps appear to focus on individual market niches (eg. potato chips) but does not include an initial broader assessment of all market opportunities and threats.
Hellin and Meijer (2006) Food and Agriculture Organisation	Guidelines for value chain analysis. 24 pages.	No specific reference to "market orientation" but does recognise the need to investigate and understand "interacting and competing channels". However, the example of maize farmers appeared to focus more on farmer production decisions than introducing market intelligence.
da Silva and de Souza Filho (2007) Food and Agriculture Organisation	Guidelines for rapid appraisals of agrifood chain performance in developing countries. 111 pages.	No specific reference to "market orientation" but the principles of market intelligence and coordination are evident. The range of alternatives provided to guide rapid appraisals of chains are complex and there appears to be limited consideration given to an initial overview of the market as part of the evaluation of segment attractiveness.
Lundy et al. (2007) Catholic Relief Services	Participatory market chain analysis for smallholder producers. 130 pages.	Market orientation referred to as part of a competitive strategy, linked to capacity of farmers to organise themselves and to be led by market demands. Relies on the results of a guide published earlier (Lundy et al., 2004) which appears to focus on a specific chain analysis without first undertaking a review of the wider market or attractiveness of segments.
Springer-Heinze (2007) GTZ	ValueLinks Manual. The Methodology of Value Chain Promotion. 243 pages.	The term "market orientation" exists in the manual but, where used, appears to be limited to outward-focused communications; i.e. actually a sales-orientation. The process for selecting chains to promote is very detailed and the role of market research early in the project is thoroughly explained, as is the need to consider all product markets. There does not appear to be any recognition of the need to create a culture of market orientation.
Webber and Labaste (2007) The World Bank	Using value chain approaches in agribusiness and agriculture in sub-Saharan Africa; a methodological guide: tools that make value chains work: discussion and cases. 216 pages.	Market orientation mentioned once but not defined or included in approach. Recommends the use of complex economic tools to prioritise "chains". Appears to prioritise chains based on impact on economy rather than impact on farmer livelihoods. Little or no evidence of simple rapid market analysis.
Riisgaard et al. (2008) Danish Institute for International Studies	A strategic framework and toolbox for Action Research with small producers in value chains. 79 pages.	No specific reference to market orientation in recommended methods. Focuses on existing chains and appears to make no recommendation or provide methodology regarding evaluation of alternative product markets as part of initial enquiry.
Vermeulen et al. (2008)	Chain-wide learning for inclusive agrifood market development: a guide to multi-	No specific reference to "market orientation". First step in the process is "mapping and understanding the value chain" which relies on stakeholders in workshops having sufficient knowledge to do so. There appears to be no guidance for

International Institute for Environment and Development	stakeholder processes for linking small-scale producers with modern markets. 114 pages.	conducting any primary data collection to inform decision-making or to create regular intelligence gathering as part of "organisational" culture.
Mitchell et al. (2009) COPLA Global: Overseas Development Institute	Trading up: How a value chain approach can benefit the rural poor. 94 pages.	No specific reference to "market orientation". However, this guide identifies that weak analysis is common in the initial stages of value chain projects. Recommendations appear to be consistent with the principles of market orientation in step 4, "conduct fieldwork interviews", which may provide broader market insights.
Herr and Muzira (2009) International Labour Office	Value Chain Development for Decent Work: A Guide for Development Practitioners, Government and Private Sector Initiatives. 231 pages.	No specific reference to "market orientation". Focus appears to be on value chain mapping as a tool for engaging with key market players. There does not appear to be any broad scale research to identify and qualify attractiveness of market segments. However, the guide does indicate that value chain maps may identify new individual market channels and the nature of relationships. It recommends spending no more than 4-6 weeks on the initial market research which tends not to be consistent with creating a culture of market orientation.
UNIDO (2009) United Nations Industrial Development Organization	Agro-value chain analysis and development: The UNIDO approach. A staff working paper. 83 pages.	No specific reference to "market orientation". Focus appears to be on sophisticated measures of value-add and benchmarking, the relevance of which to smallholders in developing countries may be complex and questionable. No evidence of initial market research to identify relative attractiveness of segments to farmers.
Riisgaard and Ponte (2011) United Nations Industrial Development Organisation	Pro-poor Value Chain Development: 25 guiding questions for designing and implementing agroindustry projects. 66 pages.	No specific reference to "market orientation". Recommendations start with selection of a single chain so there is no initial or ongoing broad market research activity.
Wandschneider et al. (2012) The International Centre for Tropical Agriculture, Catholic Relief Services and Extension and Training Support for Forestry (Vietnam) and Agriculture in the Uplands	A guide to Rapid Market Appraisal (RMA) for agricultural products. 122 pages.	No specific reference to "market orientation". The approach recommended "will follow a specific market chain" and, as such, the overall concept of market orientation to gather, analyse and share information relating to a broad range of opportunities and threats appears to be overlooked.
Bellù (2013) Food and Agriculture Organization of the United Nations	Value chain analysis for policy making: methodological guidelines and country cases for a quantitative approach. 178 pages.	No specific reference to "market orientation". Appears to focus on a single chain.

Neven (2014) Food and Agriculture Organization of the United Nations	Developing sustainable food value chains. Guiding principles. 89 pages.	No specific reference to "market orientation". Recognises that value chain development is fragmented *"one chain at a time"* (p5), and that this is a weakness, but does not describe how to overcome the problem.
Collins et al. (2016) Australian Centre for International Agricultural Research	A Guide to Value-Chain Analysis and Development for Overseas Development Assistance Projects. 192 pages.	"Market orientation" appears 12 times within the guide. *"Value-chain thinking in practice explores how to improve the value-chain's resources and capabilities, thus improving its market orientation and collaboration, and ultimately its profitability."* (p. 3). *"One of value-chain thinking's critical success factors is whether farmers develop greater market orientation in focusing on the target consumers' preferences when choosing what to grow and how to grow it, and then selecting customers who will enable them to exploit market opportunities."* (p. 159). Recognises the importance and power of both consumers and customers. However, the first activity is "mapping the chain" which implies the focus is a single chain rather than an initial broad overview of the market opportunities and threats.
USAID Office of Microenterprise Development (ND). USAID Office of Microenterprise Development	Learning Value Chain Basics. 69 pages.	No specific reference to "market orientation". Appears to focus on facilitating improvements in existing distribution channels rather than encouraging facilitators and farmers to understand the broad landscape of product market opportunities and threats.

The guides reviewed appear to treat market research as an activity to be conducted to inform project decisions, but they do not emphasise the need to create a culture of continuous market assessment, review and response to market opportunities and threats after the value chain project has concluded. The concept of market orientation emphasises continuous understanding of the opportunities and threats presented by the competitive environment, the broader market and customers (Kohli and Jaworski, 1990; Porter, 1980). Gebhardt et al. (2006) noted the importance of organisations having a learning orientation. These researchers stated that market-oriented organisations *are* learning organisations because they develop processes for continually gathering and sharing information. Furthermore, it was explained that the creation of a learning organisation provided the capacity to evolve. Huber (1991) explained that organisational learning consists of four constructs being (1) knowledge acquisition, (2) information distribution, (3) information interpretation and (4) organisational memory. Surely, the implication of this research theme is that creating a culture of a learning organisation is a priority that should be part of development projects, but at present such an objective does not appear to be evident in value chain development guides.

Guides frequently recommend identifying a single chain then investing focused effort on developing relationships and improving efficiencies along that chain. However, single chains are rarely appropriate. Take for example, the case of tree-fruit production where any harvest will produce a range of quality grades. This is the case with mangoes in most developing countries where some fruit may be suitable for export and command a significant price premium, some fruit may be suitable for various forms of processing, some fruit may be suitable for supermarkets, some for food service and finally some for wet markets. Whilst growers may like to produce all their fruit for export, the vagaries of weather, pests and diseases make this impossible which invariably means that profit optimisation is achieved by managing multiple chains. In addition, the limited capacity of a single value chain targeted by development projects, usually focused on a high-end market segment, frequently does not provide sufficient incentive for farmers since it can only absorb a very small percentage of their production.

One example comes from an Australian Centre for International Research (ACIAR) project in Moc Chau district, Son La province, Vietnam. The project developed a value chain for a certified premium grade of "safe" plum, which successfully supplied the entire volume to modern retailers in Hanoi. However, the total volume of plums going through the chain was less than 42 tons, representing just 0.02 per cent of total plum production in the district. It involved supply from only 15 farmers, and these farmers estimated that they could only sell 5 to 10 per cent of their harvest through this chain (Wandschneider et al., 2017). Another issue about focusing on a single chain was identified by Tinsley (2009), who noted that farms rarely concentrate on a single crop or animal enterprise and programs that focus on a single component of the entire enterprise may not appreciate that the farmers must allocate time and resources across the whole farm.

Value chain projects significantly refer to consumers as being the source of ultimate demand around which business offerings must be developed, and this approach guides facilitators to focus their research efforts on understanding the needs of consumers who ultimately will "pull" products through the chain. However, the capacity of smallholder farmers is often limited and shortening the chain instead of involving the entire chain may be a more appropriate first step in a program designed to transform rural communities. One has only to review the value chain success stories published by the Government of Alberta (2017) to realise that these successes are more the result of shortened chains and developing relationships with one or more intermediaries than full value chain projects based on all participants in the chain sharing information, costs and benefits.

Value chain guides generally provide what appear to be rather rigid timeframes and specify the order in which activities should be completed. However, the literature on market orientation explains that market orientation is a continuum and that it is part of organisational culture (Narver and Slater, 1990); i.e. "the way we do things around here" (Schein, 2010). This suggests that perhaps the most important contribution that a facilitating organisation can make is to create a culture in which leaders understand the concept of market orientation and equip them with the desire and skills to gather and share market intelligence so that collaborative, timely and coordinated responses can be made. As market orientation is a continuous process, it can be developed and improved with experience, over time. It is unlikely that a community will achieve a perfect state of market orientation within the time frame available to most projects. However, facilitating the "organisational" or community culture and participatory activities to develop skills can be established as an objective for agricultural development projects.

Conclusions and Recommendations

There are hundreds of papers that confirm the benefits of adopting a market orientation in firms of all sizes in developed and developing countries. It seems that the role of market orientation in smallholder farming communities in developing countries is yet to be investigated, and this is an obvious gap in the literature. Research that investigates the antecedents and consequences of adopting a market orientation in smallholder farming communities in developing countries could provide insights into how to integrate market orientation as part of the culture of such communities. It needs also to identify the degree to which the consequences of adopting market orientation might be beneficial to smallholder farming communities.

In reviewing the guides that describe how to implement and manage value chain projects it was observed that the processes described are very complex. One has to wonder whether the usefulness of the processes in facilitating projects, often with the smallest and poorest of farming communities in a region, is limited by the complexity. Sophisticated firms in developed countries have difficulty implementing value chain thinking and procedures. Is it even reasonable to consider that smallholder farmers and farming communities can achieve theoretical value chain models within the timeframe available to many projects? It is therefore recommended that facilitators of agricultural development projects that are guided by value chain thinking reconsider their project objectives and methods and consider how to integrate a simplified approach that focuses on the creation of a market-oriented culture. It is also recommended that donor organisations reconsider how these projects are evaluated, and that evaluation methods which include culture change towards market-oriented behaviour be included. The development of programs to teach farming organisations and communities about the benefits of being market oriented and provide training to develop skills in collecting intelligence about the market (trends, non-customers, emerging consumer needs etc), the competitive environment (Porter's five forces) and customer requirements would seem to have considerable merit. This information needs to be shared widely within their communities and progressively with selected supply chain partners so that timely and coordinated responses to identified threats and opportunities can be made. By creating a culture of market orientation, and establishing market orientation as part of each community organisation's culture, communities can establish an inquisitive learning orientation, and this can drive their own information-collection, decision-making and experimentation so that transformation occurs at a pace set by the community rather than the prescriptive templates promoted in many value chain guides.

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